

Vote 10

Public Service and Administration

R thousand	2006/07 To be appropriated	2007/08	2008/09
MTEF allocations	325 610	255 735	275 058
<i>of which:</i>			
Current payments	323 027	253 423	272 705
Transfers and subsidies	409	447	470
Payments for capital assets	2 174	1 865	1 883
Statutory amounts	-	-	-
Executive authority	Minister for the Public Service and Administration		
Accounting officer	Director-General of Public Service and Administration		

Aim

The aim of the Department of Public Service and Administration is to lead the modernisation of the public service, by assisting government departments to implement their management policies, systems and structural solutions, within a generally applicable framework of norms and standards, to improve service delivery.

Programme purposes

Programme 1: Administration

Provide policy, strategic leadership and overall management of the department.

Programme 2: Integrated Human Resource Management and Development

Develop and implement an integrated human resources development strategy, monitor employment practices, and improve the health and well-being of public service employees.

Programme 3: Management of Compensation

Develop and implement compensation policies and guidelines for the public sector and ensure co-ordinated bargaining.

Programme 4: Information and Technology Management

Ensure the effective use of information and IT in government, and facilitate the use of IT for modernising government and establishing e-government practices within an acceptable information security environment.

Programme 5: Service Delivery Improvement

Engage in supportive interventions and partnerships, which improve both efficiency and effectiveness, and innovative learning and knowledge-based modes and practices of service delivery in the public service.

Programme 6: Public Sector Anti-Corruption

Establish strategies to fight corruption and improve ethical conduct and practices in the public sector.

Programme 7: International and African Affairs

Establish and maintain bilateral and multilateral relations on governance and public administration through implementing global and continental programmes and projects for improving governance and public administration.

Programme 8: Planning, Monitoring and Evaluation

Establish a system for planning, monitoring and evaluation that will enable accountability for the transformation of the public sector.

Strategic overview and key policy developments: 2002/03 – 2008/09

The Department of Public Service and Administration's mandate is to promote effective and efficient service delivery, which is central to the transformation of government. Representivity in the public service continues to improve and IT is being appropriately applied to have a positive impact on service delivery. The department's engagements and relationships in Africa and across the globe are also aimed at improved governance and public administration. With a new focus on monitoring and evaluation, and support being given for effective implementation of new policies across government, the department strengthens its human resources and service delivery practices.

In order for the department to cope with its expanded mandate, an internal restructuring process resulted in the former programme 2: *Integrated Human Resources* to be split into two programmes: *Integrated Human Resource Management and Development* and *Management of Compensation*.

Reform of human resources practices

The department has made good progress in transforming human resources management in the public service through new policies and agreements, including an agreement on transforming and restructuring the public service. Implementing this resolution (the Public Service Co-ordinating Bargaining Council (PSCBC) Resolution 7 of 2002) was the main focus during 2003/04, and paved the way for all departments to restructure their organisations to provide better service.

Since then, the department has developed, negotiated and implemented new frameworks, policies and agreements. During 2005/06, a total cost to employer package was implemented for the middle management service. A review of the senior management service, focusing on the remuneration of this level, is currently under way. The Government Employees Medical Scheme was registered in January 2005 and members began enrolling in January 2006. The policy and procedure on incapacity leave and ill-health retirement for public service employees will be implemented in 2006/07. Work on the personnel expenditure review began in 2005/06 and will be completed in 2006/07.

Service delivery improvement (Batho Pele)

The rollout of the Batho Pele change management engagement programme, an outreach programme designed to communicate and instil Batho Pele values, began during 2003/04 and will continue over the medium term.

As part of the Batho Pele thrust, the Centre for Public Service Innovation was established in 2001. A review of public entities was done, with a view to designing a comprehensive and coherent policy and regulatory framework.

A community development worker (CDW) programme was set up in 2003, and a CDW learnership programme began in provinces in early 2004. CDWs are part of government's drive to ensure service delivery to poor and marginalised communities by providing a bridge between government and the citizens. The implementation and rollout is under way and 2 840 CDWs should be deployed by March 2006.

IT and communication

The department is responsible for adopting approaches to IT to improve e-government and service delivery. The department is also responsible for overseeing the functions of the State Information Technology Agency (SITA). Regulations for the SITA Act (2002) were developed, approved and amended in October 2005. To address the major concerns of integrated service delivery, the department, in conjunction with SITA, has been working on the Batho Pele Gateway project, directed at improving citizens' access to government services through IT.

During 2002/03 and 2003/04, the department developed and rolled out the Batho Pele Gateway communication campaign that focused on back office transformation and the important link with ICT to improve service delivery. The first phase of the project, providing a 24-hour IT window for accessing government services, was launched in August 2004. The second phase, the development of transaction capacity, will be rolled out over the medium term. This project continues to be a major focus area.

Anti-corruption

Following a Cabinet decision, a unit for anti-corruption and high profile cases against government officials was set up in April 2001. Initially, the department focused on building internal capacity to manage high profile cases. This has allowed the department to implement the public service anti-corruption strategy, and to support government's efforts through appropriate research, conferences and workshops on international and regional protocols on corruption.

The Prevention and Combating of Corrupt Activities Act was passed in 2004 and a national anti-corruption summit was held in March 2005. South Africa will be hosting the Global Forum V on Fighting Corruption and Safeguarding Integrity in 2007. Over the medium term, the department will consolidate the legislative and policy responsibilities of the Minister for the Public Service and Administration, and it will also make sure that South Africa complies with international, continental and regional conventions on corruption.

Governance and public administration in Africa and internationally

The department's role internationally and in Africa in the area of public administration gained momentum after the establishment of the New Partnership for Africa's Development (Nepad).

The Minister for Public Service and Administration hosted the fourth pan-African ministers of public service conference in May 2003 and the African regional conference, Reinventing Government, in January 2005. The department has also been engaged in the regional support initiative in the Democratic Republic of Congo and has committed itself to help rebuild Sudan. Another major priority for 2005/06, which will continue for most of the medium term, is the implementation of the African Peer Review Mechanism (APRM).

Monitoring and evaluation

Government needs to be accountable for the processes, outputs and outcomes of public administration and make sure that citizens are sufficiently informed for evaluating the efficiency and effectiveness of the public service. Through the new monitoring and evaluation function, the department will be in a position to measure and address any failure to comply with legislation and regulations governing the public service, and thus prevent the failure of service delivery. Mechanisms will include an early warning system, which will provide a basis for interventions in departments and provinces. In 2005/06, the department established a new programme to deal with monitoring and evaluation. Improved monitoring and evaluation is linked to the imperative to improve public management and service delivery.

Expenditure estimates**Table 10.1 Public Service and Administration**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06		2006/07	2007/08	2008/09
R thousand								
1. Administration	31 729	33 668	38 699	48 562	45 012	52 137	57 416	60 580
2. Integrated Human Resource Management and Development	15 085	18 229	18 424	26 956	28 856	38 579	46 034	49 755
3. Management of Compensation	9 314	13 470	24 187	26 999	26 999	100 667	21 520	24 928
4. Information and Technology Management	63 072	65 677	19 869	18 713	18 713	24 714	25 790	27 127
5. Service Delivery Improvement	16 703	20 159	22 008	46 128	47 778	65 737	78 928	86 133
6. Public Sector Anti-Corruption	1 321	1 482	1 800	5 897	5 897	24 124	7 450	7 231
7. International and African Affairs	1 380	3 236	3 550	12 617	12 617	12 683	8 488	6 858
8. Planning, Monitoring and Evaluation	–	–	–	2 561	2 561	6 969	10 109	12 446
Total	138 604	155 921	128 537	188 433	188 433	323 610	255 735	275 058
Change to 2005 Budget estimate				20 707	20 707	148 262	71 370	81 475

Economic classification

	88 607	98 988	125 025	183 786	183 786	323 027	253 423	272 705
Current payments								
Compensation of employees	45 991	49 757	58 758	73 824	73 824	93 463	100 828	107 272
Goods and services	42 616	49 231	66 267	109 962	109 962	229 564	152 595	165 433
<i>of which:</i>								
Communication	2 746	2 751	2 424	3 208	3 208	4 367	4 382	4 643
Computer services	1 919	2 746	3 346	3 696	3 696	6 963	8 099	7 988
Consultants, contractors and special services	16 743	19 909	27 100	59 922	59 922	129 163	63 306	74 356
Inventory	3 625	4 596	5 343	6 857	6 857	12 201	9 886	10 447
Maintenance repair and running cost	1 189	1 206	709	547	547	870	1 080	1 146
Operating leases	838	942	1 075	1 162	1 162	1 262	1 370	1 475
Travel and subsistence	7 428	8 999	13 813	11 690	11 690	50 337	38 459	38 141

Table 10.1 Public Service and Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06		2006/07	2007/08	2008/09
Transfers and subsidies	45 329	50 265	332	419	419	409	447	470
Provinces and municipalities	144	149	178	214	214	147	–	–
Departmental agencies and accounts	45 002	50 002	–	2	2	2	2	2
Public corporations and private enterprises	–	–	–	18	18	–	–	–
Foreign governments and international organisations	183	114	138	185	185	260	445	468
Households	–	–	16	–	–	–	–	–
Payments for capital assets	4 668	6 668	3 180	4 228	4 228	2 174	1 865	1 883
Machinery and equipment	4 153	6 642	3 116	4 014	4 014	1 908	1 643	1 645
Software and other intangible assets	515	26	64	214	214	116	152	168
Land and subsoil assets	–	–	–	–	–	150	70	70
Total	138 604	155 921	128 537	188 433	188 433	325 610	255 735	275 058

Expenditure trends

Expenditure is expected to increase at a high rate over the seven-year-period. In particular, overall spending increases from R138,6 million in 2002/03 to R188,4 million in 2005/06, an average annual increase of 10,8 per cent. Over the 2006 medium-term expenditure framework (MTEF), expenditure is expected to rise further, reaching R275,1 million by 2008/09, at an average annual rate of 13,4 per cent.

The increase in the *Administration* programme over the medium term is due mainly to the community development workers and compensation of employees. The *Planning, Monitoring and Evaluation* programme was created in 2005/06, resulting in a baseline increase of R2,5 million, R7 million and R10 million during 2005/06, 2006/07 and 2007/08, respectively.

The 23,1 per cent increase in expenditure in the *Service Delivery Improvement* programme over the 2006 MTEF, taking spending from R46,1 million in 2005/06 to R86,1 million in 2008/09, will be used mainly to fund Batho Pele, the revitalisation programme and the integrated public service delivery programme. Included in the 2006 Budget is a R15 million allocation for the *Service Delivery Improvement Programme* for support to the Democratic Republic of Congo. The sharp increase in the allocation for the *Public Sector Anti-Corruption* programme in 2006/07 is directly linked to hosting the Global Forum V on Fighting Corruption and Safeguarding Integrity and the national anti-corruption programme. The sharp increase in expenditure in the *International and African Affairs* programme in 2005/06 is due to expenditure related to the African Peer Review Mechanism. Expenditure for 2007/08 and 2008/09 for the *Public Sector Anti-Corruption* and *International and African Affairs* programmes declines because the Global Forum and African Peer Review Mechanism projects will be completed by 2007/08.

There is a 2,6 per cent decline in the *Management of Compensation* programme between 2005/06 and 2008/09 due to the phasing out of the medical scheme.

Expenditure on compensation of employees grows at a rate of 13,3 per cent over the 2006 MTEF, because of the department's focus on increasing its internal capacity. The reduction of the transfer

of funds to the State Information Technology Agency during 2004/05 has significantly decreased overall expenditure in the *Information and Technology Management* programme.

Departmental receipts

Departmental receipts for 2005/06 were generated from parking fees, interest on bursary debts, stale cheques, the sale of assets, commissions, and recovery of the previous year's expenditure. R8,6 million was received as one-off self-financing: R7,8 million was from the Centre for Public Service Innovation, which was incorporated into the department with effect from April 2005; a R1 million donation was received from the African Renaissance Fund for activities in the Democratic Republic of Congo. Receipts are anticipated to remain relatively stable over the medium term.

Table 10.2 Departmental receipts

R thousand	Audited outcome			Adjusted appropriation	Medium-term receipts estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Departmental receipts	235	8 774	863	8 902	178	181	188
Sales of goods and services produced by department	19	33	41	40	40	40	40
Transfers received	89	8 677	448	8 612	–	–	–
Sales of capital assets	–	–	150	200	–	–	–
Financial transactions in assets and liabilities	127	64	224	50	138	141	148
Total	235	8 774	863	8 902	178	181	188

Programme 1: Administration

The *Administration* programme conducts the overall management of the department and provides centralised support services.

Expenditure estimates

Table 10.3 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Minister 1	692	851	958	837	887	934	981
Management	5 896	5 733	6 061	8 155	10 550	11 869	12 612
Corporate Services	24 303	26 142	30 605	38 408	39 438	43 243	45 512
Property Management	838	942	1 075	1 162	1 262	1 370	1 475
Total	31 729	33 668	38 699	48 562	52 137	57 416	60 580
Change to 2005 Budget estimate				8 841	7 815	9 804	10 587

¹ Payable as from 1 April 2005. Salary: R 669 462. Car allowance: R 167 365.

Table 10.3 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Economic classification							
Current payments	29 807	32 462	36 836	46 017	51 659	56 963	60 112
Compensation of employees	15 530	16 274	19 281	22 178	25 275	27 376	29 259
Goods and services	14 277	16 188	17 555	23 839	26 384	29 587	30 853
<i>of which:</i>							
<i>Communication</i>	<i>1 560</i>	<i>1 416</i>	<i>1 238</i>	<i>1 530</i>	<i>1 554</i>	<i>1 681</i>	<i>1 743</i>
<i>Computer services</i>	<i>1 919</i>	<i>2 746</i>	<i>3 252</i>	<i>3 058</i>	<i>4 035</i>	<i>4 954</i>	<i>5 081</i>
<i>Consultants, contractors and special services</i>	<i>247</i>	<i>430</i>	<i>794</i>	<i>848</i>	<i>3 599</i>	<i>4 954</i>	<i>5 081</i>
<i>Inventory</i>	<i>1 699</i>	<i>1 921</i>	<i>1 173</i>	<i>2 110</i>	<i>2 198</i>	<i>2 397</i>	<i>2 448</i>
<i>Maintenance repair and running cost</i>	<i>897</i>	<i>838</i>	<i>513</i>	<i>252</i>	<i>488</i>	<i>719</i>	<i>767</i>
<i>Operating leases</i>	<i>838</i>	<i>942</i>	<i>1 075</i>	<i>1 162</i>	<i>1 262</i>	<i>1 370</i>	<i>1 475</i>
<i>Travel and subsistence</i>	<i>3 634</i>	<i>4 055</i>	<i>3 941</i>	<i>3 964</i>	<i>7 003</i>	<i>7 722</i>	<i>8 060</i>
Transfers and subsidies	56	52	212	103	109	117	123
Provinces and municipalities	53	48	59	76	60	–	–
Foreign governments and international organisations	3	4	137	27	49	117	123
Households	–	–	16	–	–	–	–
Payments for capital assets	1 866	1 154	1 651	2 442	369	336	345
Machinery and equipment	1 372	1 154	1 610	2 381	338	304	311
Software and other intangible assets	494	–	41	61	31	32	34
Total	31 729	33 668	38 699	48 562	52 137	57 416	60 580

Expenditure trends

Over the 2006 MTEF, the average annual increase in expenditure is expected to be lower than between 2002/03 to 2004/05, at 7,6 per cent compared to 15,9 per cent. The sharp increase in 2005/06 is a result of expenditure related to the department's relocation to new premises, the launch of the community development workers project and the outsourcing of internal audit functions.

From 1 April 2006, costs for leases and accommodation charges will be devolved from the Department of Public Works to individual departments. The department received the following amounts: R1,3 million in 2006/07, R1,4 million in 2007/08 and R1,5 million in 2008/09. Expenditure has been adjusted for 2002/03 to 2005/06.

Programme 2: Integrated Human Resources Management and Development

The *Integrated Human Resources Management and Development* programme aims to develop, implement and improve human resources management and development practices in the public service, thus ensuring the effective and appropriate use of human capacity for service delivery.

Apart from *Management* there are four subprogrammes:

- *Employment Practice and Career Management* develops transversal policies, prescripts and interventions in the various areas of the senior management service. It is also responsible for competency profiling, human resources planning, employment equity, and the proper positioning and structuring of the human resources function in the public service.

- *Employee Health and Wellness* promotes and manages health and wellness in the public service by developing and implementing policies and strategies and documenting good practices.
- *Human Resource Development Strategy* aims to improve the competency levels of public servants through strategies and interventions such as internships, learnerships and skills programmes.
- *Public Service Education and Training Authority (PSETA)* develops a co-ordinated framework for providing appropriate and adequate public service education and training.

Expenditure estimates

Table 10.4 Integrated Human Resource Management and Development

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Management	1 329	2 039	2 782	1 665	1 388	1 451	1 543
Employment Practice and Career Management	5 289	5 069	5 566	8 359	10 627	12 291	11 078
Employee Health and Wellness	2 160	3 158	3 271	6 792	8 488	8 636	9 976
Human Resource Development Strategy	1 290	1 966	1 602	2 784	3 196	3 383	3 471
Public Service Education and Training Authority	5 017	5 997	5 203	7 356	14 880	20 273	23 687
Total	15 085	18 229	18 424	26 956	38 579	46 034	49 755
Change to 2005 Budget estimate				(30 609)	(12 297)	(2 143)	(831)

Economic classification

	15 043	17 793	17 530	26 441	38 018	45 882	49 580
Current payments							
Compensation of employees	8 929	10 600	10 917	12 867	19 096	21 494	23 370
Goods and services	6 114	7 193	6 613	13 574	18 922	24 388	26 210
<i>of which:</i>							
Communication	367	524	437	417	608	643	674
Computer services	–	–	92	120	231	237	244
Consultants, contractors and special services	398	2 468	1 675	9 663	7 259	10 924	9 878
Inventory	844	1 094	1 011	696	1 397	1 533	1 523
Maintenance repair and running cost	54	83	4	40	38	40	46
Travel and subsistence	1 257	1 604	1 763	2 176	7 140	8 604	11 348
Transfers and subsidies	27	32	33	42	51	56	59
Provinces and municipalities	27	32	33	42	30	–	–
Foreign governments and international organisations	–	–	–	–	21	56	59
Payments for capital assets	15	404	861	473	510	96	116
Machinery and equipment	15	404	852	378	510	96	116
Software and other intangible assets	–	–	9	95	–	–	–
Total	15 085	18 229	18 424	26 956	38 579	46 034	49 755

Expenditure trends

Expenditure shows very strong growth throughout the whole period from 2002/03 to 2008/09. Overall spending grew from R15,1 million in 2002/03 to R27 million in 2005/06, at an average annual rate of 21,3 per cent. The growth is mainly due to additional funding for combating and preventing HIV and Aids in the public service, and the implementation of a restricted membership medical scheme for the public service in 2005/06. The main contributor to the increases in the budget over the 2006 MTEF is the additional allocation for the Public Service Education and Training Authority (PSETA), with expenditure expected to reach R49,8 million by 2008/09, growing at a rate of 22,7 per cent.

Service delivery objectives and indicators

Recent outputs

Senior management system

Cabinet has approved the voluntary implementation by departments of the senior management competency assessment system.

Employee health and wellness

The communication campaign has been expanded in partnership with the Soul City Institute, which uses multimedia to provide access to relevant information to all public service employees. A successful national public service employee health and wellness indaba was held in October 2005.

The policy and procedure on incapacity leave and ill-health retirement for public service employees will be implemented in 2006/07. Work on the personnel expenditure review began in 2005/06 and will be completed in 2006/07.

Public Service Education and Training Authority

PSETA aligned its sector skills plan with the new national skills development strategy for 2005-2010 and, in line with the required procedure for all the SETAs, submitted it to the Department of Labour.

Selected medium-term output targets

Integrated Human Resource Management and Development

Measurable objective: Ensure effective and appropriate use of human resources through targeted interventions that improve management and overall capacity

Subprogramme	Output	Measure/Indicator	Target
Human Resource Development Strategy	Integrated financial management system	Human resources domain developed (A part of the integrated financial management system)	By March 2007
Employment Practice and Career Management (EPCM)	Appropriate employment policies, frameworks and practices established	Interventions to improve human resource management practices implemented	2006-2008
	Interventions implemented to improve and sustain employment equity in the public service	Employment equity targets and programmes approved	Starting in 2006
	Interventions implemented to improve and sustain human resource planning in the public service	Effective and efficient human resources planning established	2006-2007

Subprogramme	Output	Measure/Indicator	Target
Employee Health and Wellness (EHW)	A comprehensive health and wellness framework for the Public Service	Guidelines developed and approved	March 2006
		An implementation strategy developed and approved	June 2006
	A national framework for the global programme, greater involvement of employees living with HIV and Aids (GIPA)	Guidelines implemented by all departments	March 2008
		An approved strategy for GIPA in implementing the EHW programme	June 2006
		Deadline for plan	March 2007
	A needs-based capacity building plan for the public service in place		
	A monitoring and evaluation plan for the implementation of the EHW programme	A monitoring framework developed and approved	June 2006
	Framework implemented	March 2007	

Programme 3: Management of Compensation

The *Management of Compensation* programme was previously included in the *Integrated Human Resources* programme. It develops and implements compensation policies and guidelines, and ensures co-ordinated bargaining.

Apart from *Management* there are two subprogrammes:

- *Remuneration and Conditions of Service* makes sure that appropriate remuneration and related policies and practices are developed and implemented, while managing and monitoring the growth of the wage bill.
- *Negotiations and Labour Relations* determines labour relations policies for the public service. It engages with employee representatives to improve appropriate labour relations and facilitate stable relations between the state as employer and unions representing public servants. It also provides for an appropriate negotiations framework to negotiate on behalf of the state as the employer.

Expenditure estimates

Table 10.5 Management of Compensation

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Management	–	–	–	–	3 003	4 412	7 720
Remuneration and Conditions of Service	5 904	7 217	15 769	23 081	92 452	11 121	10 936
Negotiations and Labour Relations	3 410	6 253	8 418	3 918	5 212	5 987	6 272
Total	9 314	13 470	24 187	26 999	100 667	21 520	24 928
Change to 2005 Budget estimate				4 286	76 601	(3 292)	(1 125)
Economic classification							
Current payments	9 206	13 429	24 158	26 663	100 584	21 398	24 791
Compensation of employees	7 537	7 689	9 481	10 988	11 034	11 939	12 776
Goods and services	1 669	5 740	14 677	15 675	89 550	9 459	12 015
<i>of which:</i>							
Communication	226	281	244	277	344	466	483
Consultants, contractors and special services	133	3 020	9 153	12 936	83 188	1 900	5 521
Inventory	236	145	165	581	830	907	798
Maintenance repair and running cost	153	157	168	129	184	152	158
Travel and subsistence	601	1 327	3 781	1 149	2 794	3 499	2 787

Table 10.5 Management of Compensation (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Transfers and subsidies	23	23	29	30	25	30	32
Provinces and municipalities	23	23	29	30	15	–	–
Foreign governments and international organisations	–	–	–	–	10	30	32
Payments for capital assets	85	18	–	306	58	92	105
Machinery and equipment	64	–	–	306	–	–	–
Software and other intangible assets	21	18	–	–	58	92	105
Total	9 314	13 470	24 187	26 999	100 667	21 520	24 928

Expenditure trends

The expenditure pattern is generally uneven due to a number of short-term projects in this programme. The budget increased from R9,3 million in 2002/03 to R27 million in 2005/06, an average annual increase of 42,6 per cent. The main reason for the growth was the implementation of a restricted membership medical scheme for public servants (the Government Employees Medical Scheme became self sufficient from January 2006). The increase in 2006/07 is due to the increased rollout of the policy and procedure on incapacity leave and ill-health retirement and the programme's involvement in the single public service programme. A unified system of public administration, management and governance that covers the whole public sector has been identified as necessary for reaching South Africa's developmental goals.

Service delivery objectives and indicators

Recent outputs

Remuneration and conditions of service

The scarce skills framework for the public service was introduced as part of the multi-term agreement (Public Service Co-ordinating Bargaining Council (PSCBC) Resolution 2 of 2004). The pilot project for the policy and procedure on incapacity leave and ill-health retirement for public service employees started in three pilot sites in 2003: SAPS, the Department of Correctional Services and Free State province. In response to an instruction from the president, the project will be fully implemented in all departments in 2006.

The middle management service total package dispensation for salary levels 11 and 12 was implemented in July 2005. Cabinet approved the registration of the restricted membership medical scheme for public service employees in January 2005. A revised employer subsidy formula is in the process of being developed. The first members were registered in January 2006.

Negotiations and labour relations

A labour relations forum for national departments was established and meets every two months. A computer-based labour relations news page was developed, and the first newsletter has been posted. Templates for a website database on discipline and grievances have been designed, and further technical development for implementation is being investigated.

Selected medium-term output targets

Management of Compensation

Measurable Objective: Ensure that appropriate remuneration and conditions of service policies and practices are developed and implemented in order to attract, recruit and retain high calibre skilled employees.

Subprogramme	Output	Measure/Indicator	Target
Remuneration and Conditions of Service	Public sector wage policy	2005 personnel expenditure review report finalised	June 2006
	Policy and procedure on incapacity leave and ill-health retirement for public service employees (PILIR)	Public sector wage policy developed PILIR rolled out to all public service departments	September 2006 December 2006
Negotiations and Labour Relations	Improved collective bargaining and functioning of structures	Agreements concluded: Multi term salary agreement Employer initiated exit package and Basic Conditions of Employment Act Matters arising from PSCBS Resolution 2/04	April 2007 June 2006 April 2006

Programme 4: Information and Technology Management

The *Information and Technology Management* programme aims to ensure the effective use of information and IT in government, and facilitate the use of IT for modernising government and establishing e-government practices. The subprogrammes were restructured in 2006/07 to align functions and increase capacity correctly.

Apart from *Management*, there are four subprogrammes:

- *E-govt Architecture and Integration* provides support and leadership to national and provincial departments as well as to the State Information Technology Agency (SITA) to develop a government-wide architecture and system integration plan.
- *Government Chief Information Officer Operations* develops policies, strategies and regulations on ICT across the public service; oversees SITA; provides secretarial services to the Government Information Technology Officers' Council and oversees all ICT initiatives in the public service.
- *Government Chief Information Officer Projects* support all national and provincial departments on significant transversal projects and e-government projects.
- *State Information Technology Agency* provides IT, information systems and related services to or on behalf of participating organs of the state; acts as an agent of government; and develops and maintains government IT systems.

Expenditure estimates

Table 10.6 Information and Technology Management

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Management	–	581	1 189	1 635	1 713	1 809	1 902
E-govt Architecture and Integration	–	–	–	–	2 949	3 395	3 563
Government Chief Information Officer Operations	–	–	–	–	4 797	4 879	5 154
Government Chief Information Officer Projects	18 070	15 094	18 680	17 076	15 253	15 705	16 506
State Information Technology Agency	45 002	50 002	–	2	2	2	2
Total	63 072	65 677	19 869	18 713	24 714	25 790	27 127
Change to 2005 Budget estimate				(19 795)	(21 007)	(22 371)	(23 442)

Table 10.6 Information and Technology Management (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Economic classification							
Current payments	15 545	10 870	19 717	18 370	24 188	25 229	26 537
Compensation of employees	3 041	2 576	3 633	6 329	8 977	9 565	10 073
Goods and services	12 504	8 294	16 084	12 041	15 211	15 664	16 464
<i>of which:</i>							
<i>Communication</i>	233	154	146	303	238	248	257
<i>Consultants, contractors and special services</i>	11 490	7 010	14 336	10 100	12 953	13 291	13 969
<i>Inventory</i>	211	55	97	378	417	437	459
<i>Maintenance repair and running cost</i>	21	22	3	73	78	83	87
<i>Travel and subsistence</i>	364	371	643	772	896	941	989
Transfers and subsidies	45 010	50 010	11	16	17	20	21
Provinces and municipalities	8	8	11	14	9	–	–
Departmental agencies and accounts	45 002	50 002	–	2	2	2	2
Foreign governments and international organisations	–	–	–	–	6	18	19
Payments for capital assets	2 517	4 797	141	327	509	541	569
Machinery and equipment	2 517	4 797	127	318	509	541	569
Software and other intangible assets	–	–	14	9	–	–	–
Total	63 072	65 677	19 869	18 713	24 714	25 790	27 127

Details of major transfers and subsidies:

Departmental agencies and accounts							
Public entities							
Current	1	1	–	1	1	1	1
State Information Technology Agency	1	1	–	1	1	1	1
Capital	45 001	50 001	–	1	1	1	1
State Information Technology Agency	45 001	50 001	–	1	1	1	1

Expenditure trends

The reduction of the transfer of funds to the State Information Technology Agency during 2004/05 has significantly decreased overall expenditure in this programme. Excluding the SITA transfers, expenditure increases at an average annual rate of 7 per cent, raising total expenditure from R18,1 million in 2002/03 to R27,1 million in 2008/09. The growth rate is considerably higher over the 2006 MTEF than over the 2002/03 to 2005/06 period, due to additional funding to develop and implement e-government projects. A constant expenditure of R2 000 is projected for SITA to keep the subprogramme in existence for any future transfers. Two new subprogrammes were created, *Government Chief Information Officer Operations* and *E-govt Architecture and Integration*. These will be funded from the *Government Chief Information Officer Operations* subprogramme.

In the *Government Chief Information Officer Operations* subprogramme, the slightly higher expenditure in 2004/05 compared to 2005/06 is a result of rollovers from 2003/04 for work done by SITA on the first phase of the Batho Pele Gateway project.

Service delivery objectives and indicators

Recent outputs

IT plans

Only a small number of departments and provinces have completed and submitted IT plans and project reports. The electronic inventory for government information systems, which was finalised in January 2006, will help departments comply electronically with these requirements as set out in the IT planning guidelines.

Broadened IT access for the public

During 2005/06, the Batho Pele Gateway project was improved by updating the content and language of the site and by its migration to a more robust infrastructure.

SITA

Regulations under the SITA Amendment Act (2002) and the Public Service Act (1994) were concluded in October 2005.

Selected medium-term output targets

Information and Technology Management

Measurable objective: Improve access to government services by providing a single, 24-hour IT window in a steady and efficient manner.

Subprogramme	Output	Measure/Indicator	Target
Government Chief Information Officer Operations	Oversight of SITA	Disaster recovery plans for SITA ready for implementation	June 2006
	Government website integration	Websites and content co-ordinated and integrated across three spheres of government	March 2007

Programme 5: Service Delivery Improvement

The *Service Delivery Improvement* programme engages in: supportive interventions and partnerships, which improve both efficiency and effectiveness; innovative learning; and knowledge-based modes and practices of service delivery. The subprogrammes were restructured in 2006/07 as part of the department's internal restructuring programme.

Apart from *Management* there are four subprogrammes:

- *Government Internal Consulting Services* provides targeted technical support, such as advisory services and direct intervention, to departments and provinces to improve institutional efficiency and effectiveness in service delivery.
- *Centre for Public Service Innovation* aims to influence the work culture in government and develop an environment which supports innovation.
- *Macro-organisation of the State* advises the minister on the macro-organisation of the state to improve service delivery and good governance.
- *Learning and Knowledge Management* facilitates learning, knowledge management and research in support of improved service delivery to reform the public service.

Expenditure estimates

Table 10.7 Service Delivery Improvement

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Management	1 427	1 653	3 699	2 757	1 333	1 432	1 598
Government Internal Consulting Services	10 364	13 404	10 086	13 549	35 596	28 101	28 364
Centre for Public Service Innovation	–	–	–	10 465	6 642	11 500	12 943
Macro organisation of the State	2 931	2 595	4 908	12 814	16 407	30 751	35 448
Learning and Knowledge Management	1 981	2 507	3 315	6 543	5 759	7 144	7 780
Total	16 703	20 159	22 008	46 128	65 737	78 928	86 133
Change to 2005 Budget estimate				43 031	61 867	74 793	81 791

Economic classification

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Current payments	16 489	19 832	21 459	45 446	65 488	78 250	85 449
Compensation of employees	9 549	10 575	13 001	17 162	20 043	22 191	23 749
Goods and services	6 940	9 257	8 458	28 284	45 445	56 059	61 700
<i>of which:</i>							
<i>Communication</i>	291	279	280	484	1 368	1 057	1 093
<i>Computer services</i>	–	–	–	–	1 424	1 324	1 324
<i>Consultants, contractors and special services</i>	4 475	6 336	69	12 816	13 599	25 615	31 245
<i>Inventory</i>	567	1 317	2 802	2 816	5 882	4 352	4 502
<i>Maintenance repair and running cost</i>	56	92	15	36	22	24	25
<i>Travel and subsistence</i>	1 320	536	2 819	2 658	17 333	12 897	11 316
Transfers and subsidies	29	32	39	68	39	45	47
Provinces and municipalities	29	32	39	36	20	–	–
Public corporations and private enterprises	–	–	–	18	–	–	–
Foreign governments and international organisations	–	–	–	14	19	45	47
Payments for capital assets	185	295	510	614	210	633	636
Machinery and equipment	185	287	510	565	183	605	607
Software and other intangible assets	–	8	–	49	27	28	29
Total	16 703	20 159	22 008	46 128	65 737	78 928	86 133

Expenditure trends

Expenditure grows rapidly over the seven-year-period. An average annual growth rate of 40,3 per cent between 2002/03 and 2005/06 takes total expenditure from R16,7 million to R46,1 million, due to additional funding for provincial interventions. The budget is expected to reach R86,1 million in 2008/09, growing at a lower rate of 23,1 per cent over the 2006 MTEF. The increase is because of additional funding appropriated for the integrated public service delivery programme. The increase in expenditure in the *Learnership and Knowledge Management* subprogramme in 2005/06 is because a number of projects that were managed by *Learnership and Knowledge Management* subprogramme were funded by the *Macro-organisation of the State* subprogramme. These were then moved to the *Learnership and Knowledge Management* subprogramme so that expenditure could be accounted for at the place of responsibility.

Recent outputs

Service delivery improvement partnerships

During 2004/05, the department embarked on a targeted support programme in Kwa-Zulu Natal that will run until mid-2006. Institutional support was also provided to Sudan and the Democratic

Republic of Congo via the regional support initiative in the areas of public service administration, in line with a co-operative agreement with the two countries. Support to provinces and other government institutions is an integral part of the work of the department and will remain a focus area over the medium term.

A draft policy framework for the governance and administration of public sector institutions and a draft guide for appointments to boards of public sector institutions was submitted to Cabinet.

As part of the single public service programme, the department has compiled an implementation strategy, an access framework, and a work plan. A framework for managing joint programmes is currently before Cabinet for approval.

The learning and knowledge management framework is being finalised to help entrench a culture of learning and knowledge-sharing in the public service. As part of this process, a sectoral analysis programme in the health, education and housing sectors has been initiated to improve the understanding of sectoral service delivery constraints.

Batho Pele campaigns included imbizos, letsema, Public Service Week and Africa Public Service Day.

Learning and knowledge management

Three editions of the Service Delivery Review were published. Several learning networks were maintained and workshops were hosted, including a national monitoring and evaluation workshop, two Batho Pele learning network workshops, an intervention learning workshop in Kwa-Zulu-Natal, a human resources forum and the annual research colloquium was launched. The annual learning academy and the annual public management conversation were hosted in Western Cape.

Selected medium-term output targets

Service Delivery Improvement

Measurable Objective: Improve service delivery through targeted interventions to selected departments and the provision of supportive frameworks and learning products.

Subprogramme	Output	Measure/Indicator	Target
Macro-organisation of the State	Public entity legislation developed	Deadline for enactment of legislation	March 2007
Government Internal Consulting Services	Improved service delivery in the public service through effective implementation of Batho Pele and provision of turnaround support and institution building to the public service	Number of trainers trained in provincial and national departments	900 trainers trained by March 2008

Programme 6: Public Sector Anti-Corruption

The *Public Sector Anti-Corruption* programme establishes and implements strategies to fight corruption and improve ethical conduct in the public service.

There are three subprogrammes:

- *Anti-Corruption Policy* facilitates the development and implementation of public sector anti-corruption policies.
- *Anti-Corruption Monitoring and Evaluation* monitors and evaluates the national integrity framework, underpinned by research, the development of indicators, and the management of the corruption management information system.
- *International Anti-Corruption Co-operation* ensures government's active participation in and compliance with bilateral, multilateral, regional and international agreements, and regional and international initiatives; and provides support to other countries.

Expenditure estimates

Table 10.8 Public Sector Anti-Corruption

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Anti-Corruption Policy	1 321	1 482	1 800	2 779	9 395	3 139	2 569
Anti-Corruption Monitoring and Evaluation	–	–	–	1 447	2 483	3 350	3 871
International Anti-Corruption Co-operation	–	–	–	1 671	12 246	961	791
Total	1 321	1 482	1 800	5 897	24 124	7 450	7 231
Change to 2005 Budget estimate				2 336	20 262	3 387	2 965

Economic classification

Current payments	1 318	1 479	1 796	5 893	24 000	7 384	7 226
Compensation of employees	991	970	1 315	1 728	3 902	3 322	3 291
Goods and services	327	509	481	4 165	20 098	4 062	3 935
<i>of which:</i>							
<i>Communication</i>	40	32	24	34	68	77	82
<i>Consultants, contractors and special services</i>	–	–	3	3 736	7 030	2 447	2 617
<i>Inventory</i>	58	24	61	95	1 292	74	14
<i>Travel and subsistence</i>	195	371	288	222	7 039	462	537
Transfers and subsidies	3	3	4	4	4	5	5
Provinces and municipalities	3	3	4	4	3	–	–
Foreign governments and international organisations	–	–	–	–	1	5	5
Payments for capital assets	–	–	–	–	120	61	–
Machinery and equipment	–	–	–	–	120	61	–
Total	1 321	1 482	1 800	5 897	24 124	7 450	7 231

Expenditure trends

Expenditure grows steeply from R1,3 million in 2002/03 to R5,9 million in 2005/06, at an average annual rate of 64,7 per cent. Two new subprogrammes were created in 2005/06: *Anti-Corruption Monitoring and Evaluation* and *International Anti-Corruption Co-operation* to account for the department's increasing involvements in these areas. Over the 2006 MTEF, the growth rate is expected to slow down to 7 per cent, reaching R7,2 million by 2008/09. The sharp increase in expenditure in 2006/07, to R24,1 million, is due to a one-off provision for the Global Forum V on Fighting Corruption and Safeguarding Integrity and the national anti-corruption programme.

Service delivery objectives and indicators

Recent outputs

Anti-corruption policy

A full-scale implementation audit of the public service anti-corruption strategy was carried out to identify levels of compliance and to identify possible implementation and policy gaps. Together with the impact assessment of the national anti-corruption framework that starts in April 2006, the data from the implementation audit informs the anti-corruption policy review.

Anti-corruption monitoring and evaluation

An audit was completed of the implementation of the requirements for minimum anti-corruption capacity in departments. It showed that departments are demonstrating greater institutional

capacity. Departments expressed a need for further support and as a result a comprehensive and practical guide on minimum anti-corruption capacity was developed and distributed to all departments.

International anti-corruption co-operation

The African Union Convention on the Prevention and Combating of Corruption was ratified during 2005. And the process for acceding to the Organisation for Economic Co-operation and Development (OECD) Convention on the Bribery of Foreign Public Officials in International Business Transactions began.

Bilateral level support was given to the Democratic Republic of Congo to develop and implement a training and awareness programme on a code of conduct for public officials.

Selected medium-term output targets

Public Sector Anti-Corruption Programme

Measurable objective: Prevent and combat corruption and improve the integrity of governance systems in the public sector by establishing and implementing strategies.

Subprogramme	Output	Measure/Indicator	Target
Anti-Corruption Monitoring and Evaluation	Information on corruption and efficacy of anti-corruption measures	Frequency of reports presented to Cabinet	Annual reports
International Anti-Corruption Co-operation	Participation in and compliance with bilateral, multilateral, regional and international instruments and agreements	Global Forum V on Fighting Corruption and Safeguarding Integrity hosted	March 2007

Programme 7: International and African Affairs

Through its one subprogramme of the same name, the *International and African Affairs* programme establishes and maintains bilateral and multilateral relations on governance and public administration by implementing global and continental programmes and projects for improving governance and public administration.

Expenditure estimates

Table 10.9 International and African Affairs

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
International and African Affairs	1 380	3 236	3 550	12 617	12 683	8 488	6 858
Total	1 380	3 236	3 550	12 617	12 683	8 488	6 858
Change to 2005 Budget estimate				10 056	8 052	1 083	(917)

Table 10.9 International and African Affairs (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Economic classification							
Current payments	1 199	3 123	3 529	12 402	12 509	8 303	6 664
Compensation of employees	414	1 073	1 130	1 356	2 478	2 082	1 707
Goods and services	785	2 050	2 399	11 046	10 031	6 221	4 957
<i>of which:</i>							
<i>Computer services</i>	–	–	2	–	–	–	–
<i>Consultants, contractors and special services</i>	–	645	1 070	9 435	235	125	125
<i>Inventory</i>	10	40	34	139	148	148	163
<i>Travel and subsistence</i>	57	735	578	546	7 093	3 278	2 147
Transfers and subsidies	181	113	4	149	156	164	172
Provinces and municipalities	1	3	3	5	4	–	–
Foreign governments and international organisations	180	110	1	144	152	164	172
Payments for capital assets	–	–	17	66	18	21	22
Machinery and equipment	–	–	17	66	18	21	22
Total	1 380	3 236	3 550	12 617	12 683	8 488	6 858

Details of major transfers and subsidies:

Foreign governments and international organisations							
Current	180	110	1	144	152	164	172
International Institute of Administrative Services	25	19	–	19	20	21	22
International Personnel Management Association (IPMA)	–	–	–	4	4	4	4
Commonwealth Association for Public Administration and Management	36	16	–	23	24	25	26
African Association for Public Administration and Management	11	–	–	14	14	15	16
Centre for Training and Research in Administration for Development	108	75	–	84	88	92	97
Gifts and Donations	–	–	1	–	2	7	7

Expenditure trends

Before 2002/03, expenditure for this programme was incurred in the *Administration* programme, until it became a separate programme. Expenditure increased rapidly, from R1,4 million in 2002/03 to R12,6 million in 2005/06, at an average annual rate of 109,1 per cent. The increase is mainly due to additional funding allocated for the African Peer Review Mechanism project from 2005/06 to 2007/08. The decline in overall expenditure in 2008/09, to R6,9 million, is due to the termination of this funding.

Service delivery objectives and indicators**Recent outputs***African Peer Review Mechanism*

During 2005/06, the Minister of Public Service and Administration was nominated to be the champion for the African Peer Review Mechanism. The department hosted conferences on the APRM during the later part of 2005, and implementation will continue over the medium term.

Bilateral agreements

An agreement between Sweden and South Africa on development co-operation concerning public service support in the Democratic Republic of Congo will be effective from April 2006.

Implementation of the African governance and public administration programme

A capacity development leadership project on e-governance was initiated with the E-Africa Commission. A train the trainer programme for African management institutes has also begun, funded by the Japan International Development Agency. E-governance initiatives which have been championed by the e-Africa Commission Conference were held in South Africa in 2003 before the Pan African Ministers Conference. The Admin Executive Council and executive committee were launched in August 2005 and adopted concrete plans for service delivery. Knowledge exchange and policy learning has been improved through hosting public administration departments from Ghana, Rwanda, Ethiopia and the Democratic Republic of Congo in 2004/05.

Selected medium-term output targets**International and African Affairs**

Measurable objective: Improve governance and public administration through leadership and projects that foster change globally and in Africa.

Subprogramme	Output	Measure/Indicator	Target
International and African Affairs	African Peer Review Mechanism	Country assessment report and national programme of action submitted to the APRM review panel	By March 2006

Programme 8: Planning, Monitoring and Evaluation

Through its *Integrated Monitoring, Evaluation and Reporting* subprogramme, the *Planning, Monitoring and Evaluation* programme manages a system for planning, monitoring and evaluating the programmes that enable the transformation of the public sector.

Expenditure estimates**Table 10.10 Planning, Monitoring and Evaluation**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Integrated Monitoring, Evaluation and Reporting	-	-	-	2 561	6 969	10 109	12 446
Total	-	-	-	2 561	6 969	10 109	12 446
Change to 2005 Budget estimate				2 561	6 969	10 109	12 446
Economic classification							
Current payments	-	-	-	2 554	6 581	10 014	12 346
Compensation of employees	-	-	-	1 216	2 658	2 859	3 047
Goods and services	-	-	-	1 338	3 923	7 155	9 299
<i>of which:</i>							
Communication	-	-	-	70	116	122	215
Computer services	-	-	-	400	1 030	1 480	1 230
Consultants, contractors and special services	-	-	-	388	1 300	4 050	5 920
Maintenance repair and running cost	-	-	-	6	12	13	13
Travel and subsistence	-	-	-	203	1 039	1 056	957

Table 10.10 Planning, Monitoring and Evaluation (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Transfers and subsidies	–	–	–	7	8	10	10
Provinces and municipalities	–	–	–	7	6	–	–
Foreign governments and international organisations	–	–	–	–	2	10	10
Payments for capital assets	–	–	–	–	380	85	90
Machinery and equipment	–	–	–	–	230	15	20
Land and subsoil assets	–	–	–	–	150	70	70
Total	–	–	–	2 561	6 969	10 109	12 446

Expenditure trends

The programme was established in 2005/06. Expenditure is expected to increase over the 2006 MTEF from R2,6 million in 2005/06 to R12,4 million in 2008/09, an average annual increase of 69,4 per cent. This reflects the phased approach for implementing monitoring and evaluation and providing information on the transformation of the public service.

Service delivery objectives and indicators

Recent outputs

Framework for monitoring and evaluation

Cabinet approved the government-wide monitoring and evaluation framework in July 2005. The framework is being implemented under the leadership of The Presidency.

Early warning system

The early warning system's name was changed to the Public Management Watch (PMW). The PMW was presented to Cabinet in December 2005 and implementation is expected to begin soon.

Integrated and comprehensive management information system

Cabinet approved the rollout of the second phase of the integrated financial management systems (IFMS) project, of which management information is one aspect. The IFMS is implemented under the leadership of National Treasury.

Selected medium-term output targets

Planning, Monitoring and Evaluation

Measurable objective: Improve accountability for processes, outputs and outcomes on public administration, and provide information to evaluate the efficiency and effectiveness of service delivery.

Subprogramme	Output	Measure/Indicator	Target
Integrated Monitoring, Evaluation and Reporting	Government-wide monitoring and evaluation system	Frequency of reports on public service management	Quarterly
		Reporting formats for departments developed and fully functioning GWM&E Database developed Public Management Watch system fully implemented	July 2006
	Human resources information for decision-makers	Frequency of human resources utilisation reports Human resources portal operational	Annually By July 2006
	Monitoring and evaluation of Department of Public Service and Administration policies	Frequency of reports on the implementation of selected policies	Annually

Public entities reporting to the Minister

State Information Technology Agency

The State Information Technology Agency (SITA) is the only public entity reporting to the Minister for Public Service and Administration. It is a private company that was established in terms of the State Information Technology Agency Act (1998) to enable government to improve service delivery to the public by providing IT, information systems and related services. It was formed from the amalgamation of Central Computer Services in the former Department of Finance, Info Plan in the Department of Defence, and the information management systems section of the South African Police Service. SITA received transfer payments from the department until 2003/04, and then became fully self-sufficient.

SITA is working on a number of strategic initiatives that form the core of its work programme for the 2006 MTEF. These include: the Batho Pele Gateway project; E-Health (electronic patient records); E-Education (modernisation of IT systems within the Department of Education); and the integrated financial management system. In the past year, SITA was focused internally on Tswelopele, SITA's turnaround strategy, which has contributed to increased revenues and thus a sounder financial position for the organisation as a whole.

The 2005 financial year results showed a material improvement on those of 2004. Revenue totalling R2,6 billion is up by 14,5 per cent from the previous year. Operating profits, at R72,5 million, are 147,9 per cent higher than the previous year, mainly due to the higher revenue and cost containment initiatives. Net profit before tax at R88,6 million is 71,6 per cent up on the previous year, and the gross profit margin, at 18,3 per cent, is slightly lower than the previous year. This is mainly due to the capping of prices on one of the transversal systems. Cash generated from operating activities, at R349,9 million, is 5,9 times higher than in the previous year. The improved cash flow can be attributed mainly to an increase in payables at year-end.

SITA's future direction will be driven by two major developments. First, the implementation of a government telecommunications and convergence strategy will put SITA at the cutting edge of technology, and the introduction of voice-over-IP technology could significantly reduce costs to government. Second, Project Consolidate is a government programme spearheaded by the Department of Provincial and Local Government and aims to help municipalities create capacity for service delivery. SITA's specific contribution will be IT solutions.

Table 10.11 Financial summary for the State Information Technology Agency (SITA)

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Audited		2006/07	2007/08	2008/09
R Thousand	2002/03	2003/04	2004/05	2005/06			
INCOME STATEMENT SUMMARY							
Revenue							
Non-tax revenue	2 005 903	2 330 407	2 658 729	2 709 750	2 980 425	3 276 968	3 603 064
Sale of goods and services other than capital assets	1 967 581	2 303 610	2 636 756	2 686 750	2 955 425	3 250 968	3 576 064
<i>of which:</i>							
<i>Sales by market establishments</i>	<i>1 967 581</i>	<i>2 303 610</i>	<i>2 636 756</i>	<i>2 686 750</i>	<i>2 955 425</i>	<i>3 250 968</i>	<i>3 576 064</i>
<i>Other non-tax revenue</i>	<i>38 322</i>	<i>26 797</i>	<i>21 973</i>	<i>23 000</i>	<i>25 000</i>	<i>26 000</i>	<i>27 000</i>
Total revenue	2 005 903	2 330 407	2 658 729	2 709 750	2 980 425	3 276 968	3 603 064

Table 10.11 Financial summary for the State Information Technology Agency (SITA) (continued)

	Outcome				Estimated outcome	Medium-term estimate		
	Audited	Audited	Audited	Audited		2006/07	2007/08	2008/09
R Thousand	2002/03	2003/04	2004/05	2005/06				
Expenses								
Current expense	1 883 361	2 275 687	2 566 431	2 602 141	2 810 747	3 035 166	3 277 790	
Compensation of employees	617 026	916 388	967 785	1 104 335	1 187 160	1 276 197	1 371 912	
Goods and services	1 182 265	1 233 687	1 451 349	1 296 856	1 407 290	1 527 325	1 657 811	
Depreciation	74 247	121 237	141 474	197 058	211 837	227 725	244 804	
Interest, dividends and rent on land	9 823	4 376	5 823	3 893	4 460	3 919	3 263	
Transfers and subsidies	2 670	3 059	3 665	956	1 027	1 104	1 187	
Total expenses	1 886 031	2 278 747	2 570 097	2 603 097	2 811 775	3 036 271	3 278 978	
Surplus / (Deficit)	119 871	51 661	88 632	106 653	168 650	240 697	324 086	
Tax payment	37 034	16 575	29 329	30 930	48 909	69 802	93 985	

BALANCE SHEET SUMMARY

Carrying value of assets	400 685	427 945	403 720	406 577	621 450	866 201	1 212 467
Investments	38 513	39 690	38 573	38 573	38 573	38 573	38 573
Receivables and prepayments	431 573	506 776	711 559	724 290	778 637	776 740	815 395
Cash and cash equivalents	546 430	451 003	664 892	580 000	638 000	701 800	771 980
Total assets	1 417 201	1 425 414	1 818 744	1 749 440	2 076 661	2 383 315	2 838 415
Capital and reserves	656 811	691 896	751 199	826 923	946 664	1 117 560	1 347 661
Borrowings	41 601	36 401	31 200	26 000	20 800	15 600	10 400
Post retirement benefits	60 867	71 158	69 765	75 346	81 374	89 511	98 462
Trade and other payables	609 136	549 802	855 523	730 000	935 822	1 059 644	1 275 841
Provisions	48 786	76 157	111 057	91 171	92 000	101 000	106 050
Total equity and liabilities	1 417 201	1 425 414	1 818 744	1 749 440	2 076 661	2 383 315	2 838 415

Data provided by the State Information Technology Agency

Annexure

Vote 10: Public Service and Administration

Table 10.A: Summary of expenditure trends and estimates per programme and economic classification

Table 10.B: Summary of personnel numbers and compensation of employees

Table 10.C: Summary of expenditure on training

Table 10.D: Summary of official development assistance expenditure

Table 10.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2004/05		2004/05	2005/06			2005/06
1. Administration	32 045	40 072	38 699	39 721	8 841	48 562	45 012
2. Integrated Human Resource Management and Development	26 579	22 173	18 424	31 551	(4 595)	26 956	28 856
3. Management of Compensation	13 801	24 586	24 187	26 014	985	26 999	26 999
4. Information and Technology Management	21 769	26 294	19 869	22 713	(4 000)	18 713	18 713
5. Service Delivery Improvement	27 519	26 565	22 008	38 508	7 620	46 128	47 778
6. Public Sector Anti-Corruption	1 907	1 837	1 800	3 097	2 800	5 897	5 897
7. International and African Affairs	3 006	3 844	3 550	3 561	9 056	12 617	12 617
8. Planning, Monitoring and Evaluation	–	–	–	2 561	–	2 561	2 561
Total	126 626	145 371	128 537	167 726	20 707	188 433	188 433

Economic classification

	125 008	143 024	125 025	163 971	19 815	183 786	183 786
Current payments							
Compensation of employees	61 645	61 753	58 758	70 421	3 403	73 824	73 824
Goods and services	63 363	81 271	66 267	93 550	16 412	109 962	109 962
Transfers and subsidies	312	320	332	361	58	419	419
Provinces and municipalities	170	178	178	205	9	214	214
Departmental agencies and accounts	2	2	–	2	–	2	2
Public corporations and private enterprises	–	–	–	–	18	18	18
Foreign governments and international organisations	–	–	138	154	31	185	185
Non-profit institutions	140	140	–	–	–	–	–
Households	–	–	16	–	–	–	–
Payments for capital assets	1 306	2 027	3 180	3 394	834	4 228	4 228
Machinery and equipment	1 195	1 868	3 116	3 214	800	4 014	4 014
Software and intangible assets	111	159	64	180	34	214	214
Total	126 626	145 371	128 537	167 726	20 707	188 433	188 433

Table 10.B Summary of personnel numbers and compensation of employees

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
A. Permanent and full-time contract employees							
Compensation (R thousand)	45 991	49 758	58 758	73 824	93 463	100 828	107 272
Unit cost (R thousand)	204	210	179	209	257	256	252
Compensation as % of total	100.0%	99.9%	100.0%	99.9%	100.0%	100.0%	100.0%
Personnel numbers (head count)	226	237	328	353	364	394	425
Unit cost (R thousand)							

Table 10.B Summary of personnel numbers and compensation of employees (continued)

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
C. Interns							
Compensation of interns (R thousand)	22	44	22	40	40	40	40
Unit cost (R thousand)	2	2	2	2	2	2	2
Number of interns	11	22	11	20	20	20	20
Total for department							
Compensation (R thousand)	46 013	49 802	58 780	73 864	93 503	100 868	107 312
Unit cost (R thousand)	194	192	173	198	243	244	241
Personnel numbers (head count)	237	259	339	373	384	414	445

Table 10.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Training and staff development							
Expenditure (R thousand)	866	1 060	1 164	1 313	1 892	2 002	2 125
Number of employees trained (head count)	124	73	115	124	147	163	152
Bursaries (employees)							
Expenditure (R thousand)	180	220	281	287	287	287	287
Number of employees (head count)	27	33	61	61	61	61	61
Total	1 046	1 280	1 445	1 600	2 179	2 289	2 412
Number of employees	151	106	176	185	208	224	213

Table 10.D Summary of official development assistance expenditure

Donor	Project	Cash/ kind	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
			2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand									
Local									
Deloitte and Touche	Funding of one post	Cash	332	-	-	-	-	-	-
Public Service Centre Bargaining Council	Funding Flight, Accommodation and Allowances	Cash	266	-	-	-	-	-	-
Foreign									
DFID	Funding of 3 posts	Cash	740	-	-	-	-	-	-
GTZ	RDP Fund	Cash	401	-	-	-	-	-	-
DFID	Public Service Transformation Support Programme	Cash	-	10	-	-	-	-	-
European Union	Integrated Implementation Programme	Cash	-	280	-	-	-	-	-
CIDA	HIV and Aids	Kind	-	-	-	-	-	-	-
DFID	Interprovincial Support Programme	Kind	-	47	-	-	-	-	-
DFID, NBC, PSCBA, CIDA	Integrated Human Resources	Kind	-	-	-	-	-	-	-
DFID	Service Delivery Improvement	Kind	-	2 626	-	-	-	-	-
GTZ	Public Service Reform Programme	Kind	-	10 000	5 220	4 800	1 800	50	50

Table 10.D Summary of official development assistance expenditure (continued)

Donor	Project	Cash/ kind	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
			2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand									
DFID	Integrated Provincial Support Programme	Cash	-	50 000	2 710	6 388	5 400	-	-
DFID	Anti-Corruption Unit	Cash	-	-	-	-	-	-	-
United Nations	Center for Crime Prevention	Cash	-	-	-	-	-	-	-
United Nations	Information and Technology Management	Kind	-	-	-	-	-	-	-
Netherlands, DFID	Information and Technology Management	Cash	-	-	-	-	-	-	-
Total			1 739	62 963	7 930	11 188	7 200	50	50

